

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7710

BILL NUMBER: HB 1524

NOTE PREPARED: Jan 15, 2007

BILL AMENDED:

SUBJECT: Grow our local economy districts.

FIRST AUTHOR: Rep. Murphy

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___ **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Provides that a county fiscal body may adopt a resolution designating certain townships as grow our local economy districts (district). Provides that a township may be designated as a district only if the net residential assessed value in the township is at least 65% of the total net assessed value in the township. Requires a county fiscal body to make certain findings before adopting the resolution designating a district. Provides that after adopting a resolution designating a district, the county fiscal body must submit the resolution to the Indiana economic development corporation (IEDC) for approval. Specifies that if the designation of a district is approved by the IEDC, the treasurer of state shall establish an incremental tax financing fund for the district. Provides that incremental sales and use taxes collected by businesses that begin operating in the district after the district is approved and incremental income taxes from wages of employees of businesses that begin operating in the district after the district is approved shall be paid to the incremental tax financing fund and distributed to the county containing the district. Specifies that not more than \$5,000,000 of total incremental tax revenue may be distributed to a county for a particular district. Authorizes a county to use the incremental tax revenue from a district to: (1) finance, construct, improve, equip, operate, or maintain an economic development project or a local public improvement in the district; (2) acquire or lease any land or facilities for an economic development project or a local public improvement in the district; (3) pay debt service on bonds or other obligations; or (4) establish and maintain a debt service reserve. Requires a county fiscal body to designate the duration of a district. Provides that a district must terminate not later than 30 years after incremental tax revenue is first distributed to the county.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact*

statement.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869.